

Message Text

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ORIGIN NEA-10

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TO AMEMBASSY NEW DELHI

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E.O. 11652: N/A

TAGS: USINJC, US, IN

SUBJECT: JOINT BUSINESS COUNCIL - U.S. SECTION MEETING

1. ORVILLE FREEMAN CHAIRED MEETING OF U.S. SECTION OF JOINT BUSINESS COUNCIL AT U.S. CHAMBER OF COMMERCE ON JULY 8. SEVENTEEN MEMBER COMPANIES WERE REPRESENTED, WITH ROBERT SHAW, DEPUTY DIRECTOR, BUREAU OF INTERNATIONAL COMMERCE AND BM BIRLA, SENIOR GUEST SPEAKERS. COMMERCE (OIM) AND STATE (NEA/INS) OFFICERS ATTENDED.

2. FREEMAN REVIEWED GREENWALD LETTER OF MARCH 26 RESPONDING TO SERIES OF ISSUES RAISED IN FREEMAN'S LETTERS OF MARCH 19 AND 24. (CORRESPONDENCE IN EMBASSY FILES). AFTER SOLICITING COMMENTS FROM MEMBERSHIP, FREEMAN DIRECTED PREPARATION OF RESPONSE TO GREENWALD. LETTER, WHEN RECEIVED, WILL BE SUBJECT SEPTTEL.

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3. GROUP EXPRESSED PARTICULAR CONCERN OVER GOI EXPRESSION OF DOUBT THAT PRODUCTION SHARING CONCEPT COULD BE EXTENDED OUTSIDE PETROLEUM SECTOR. NATOMAS REP NOTED THAT THIS, COUPLED WITH RECENT IRS RULING THAT PRODUCTION SHARING ARRANGEMENTS CONSTITUTE ROYALTIES AND DO NOT QUALIFY U.S. COMPANY FOR U.S. TAX CREDITS FOR FOREIGN TAXES PAID, LEAVES

LITTLE HOPE FOR THE EXTENSION OF PRODUCTION SHARING CONCEPT IN INDIA. WE ARE EXPLORING BEARING TAX TREATY MIGHT HAVE ON THIS ISSUE.

4. AS SPOKESMAN FOR PHARMACEUTICAL INDUSTRY MEMBERS, WALTER WIEN OF WYETH INTERNATIONAL REPORTED INDUSTRY APPRECIATION AND SATISFACTION WITH EMBASSY'S REPRESENTATION ON INDUSTRY PROBLEMS (NEW DELHI 8485) AND RECOMMENDED THAT COUNCIL PURSUE ISSUE WITH JOINT RESOLUTION. FREEMAN DIRECTED THAT U.S. SECTION COMMUNICATE WITH INDIAN SECTION CONCERNING FORMULATION OF RESOLUTION EMPHASIZING DISCRIMINATION, SEGMENTATION AND INVESTMENT CLIMATE ASPECTS OF GOI PHARMACEUTICAL INDUSTRY POLICY.

5. FREEMAN DIRECTED ESTABLISHMENT OF FOUR U.S. SECTION TASK FORCES: INVESTMENT INCENTIVES AND REGULATIONS, CHAIRED BY ROBERT JONES OF ARTHUR ANDERSEN; TRADE, CHAIRED BY JAMES HOFFMAN OF MANSFIELD TIRE AND RUBBER; PRODUCTION SHARING, CHAIRED BY DORMAN COMMONS, NATOMAS COMPANY; AND THIRD COUNTRY VENTURES, CHAIRED BY PAUL GIBSON, ENVIROTECH INTERNATIONAL.

6. SECTION DISCUSSED TENTATIVE PLANS FOR JOINT EXECUTIVE COMMITTEE MEETING IN NEW DELHI IN NOVEMBER 1976 AND FULL JOINT COUNCIL MEETING IN NIAGARA FALLS IN JUNE 1977. U.S. SECTION AGREED TO RAISE ANNUAL MEMBERSHIP FEES FROM 500 DOLS TO 1000 DOLS.

7. SHAW OF COMMERCE REPORTED ON MARCH ECONOMIC AND COMMERCIAL SUBCOMMISSION MEETING. FREEMAN REAFFIRMED U.S. SECTION'S DESIRE TO CONTINUE ITS EFFORTS TO WORK CLOSELY WITH SUBCOMMISSION. BIRLA URGED MORE FREQUENT CONTACTS AND MEETINGS BETWEEN INDIAN AND U.S. SECTIONS. FREEMAN SUG-

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GESTED THAT CONSIDERATION BE GIVEN TO ORGANIZATION OF INDO-U.S. TRADE AND INVESTMENT WORKSHOP, PERHAPS TO BE HELD IN CHICAGO IN CONJUNCTION WITH JUNE 1977 JOINT COUNCIL MEETING.

8. POUCHING MEETING AGENDA, LIST OF PARTICIPANTS AND MINUTES WHEN AVAILABLE. KISSINGER

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